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PRELIMINARY ASSURANCE ALTERNATIVES

I. INTRODUCTION

The Assurances Work Group is developing a preliminary package of assurances for the implementation of the CALFED Bay Delta Program. A package of assurances, together with the financing plan, will constitute a substantial portion of the implementation strategy for the Program. This paper identifies six preliminary assurance alternatives for further discussion and evaluation.

Discussion papers previously distributed to the Work Group identified a number of assurance issues and concerns raised by stakeholders. Generally, the stakeholders want assurances that the long-term CALFED Bay Delta Program will be implemented, or that the implementation of the Program will not adversely impact them.

The Work Group developed a list of tools which can be used to assure implementation of the program. The Work Group also considered a set of guidelines which can be used as screening criteria for analysis of the effectiveness and acceptability of various assurance alternatives.

Because a preferred alternative has not yet been developed for the Programmatic Environmental Impact Report/Statement (EIR/EIS), the Work Group concluded that a hypothetical case study would provide a more realistic context for the discussion and development of assurances. Consequently, CALFED staff developed a draft case study consisting of a set of programmatic and specific actions. This case study and the list of tools provide the basis for the preliminary assurance alternatives discussed at the March 1997 Work Group meeting and described in more detail in this paper.

Over the next several months, the Work Group will continue to assess and refine these assurance alternatives. The Work Group should consider: (1) whether the assurance alternatives are consistent with the CALFED solution principles and the guidelines previously identified by the Work Group; (2) whether the assurance alternatives adequately provide for implementation of all program components and elements; and (3) whether the assurance alternatives adequately address the issues and concerns raised by the stakeholders.

Once a preferred alternative has been identified for the Draft EIR/EIS, the Work Group will consider what adjustments or refinements should be made to the package of assurances. A draft assurance package will accompany the draft EIR/EIS. Ultimately, a final package of assurances will be described and proposed when the Final EIR/EIS is released.

This paper is organized as an outline of six preliminary assurance alternatives, each consisting of a management approach and a complementary set of assurance tools such as legislation, regulations, and contractual arrangements. These alternatives are based upon the case study; thus all program content (components and elements) is assumed to be in place and agreed upon by the agencies and stakeholders.

The assurance alternatives presented in this paper are intended to stimulate discussion among the Work Group members; they do not represent any consensus among the CALFED agencies. Work Group members should consider and evaluate whether these alternatives or any of their components constitute the best approach for a particular assurance issue.

The outline of each alternative is presented in the following format:

Management Structure and Implementation Functions: This deals with who carries out implementation actions and how decisions are made. Not all CALFED program actions will be fully defined in advance. Considerable discretion must be granted to those who will implement the program. Decisions must be made about how to prioritize ecosystem restoration actions within the adaptive management framework, how to allow flexibility in the operation of the water projects, which water quality actions to fund, which levee improvements to fund, etc. Each alternative represents a set of choices about who will make these decisions and who will implement the various components and elements of the CALFED Bay-Delta Program.

Assurance Tools: Each assurance alternative includes a summary discussion of the tools (such as new laws, regulations, contracts or other types of agreements) which might be used to increase the likelihood that the program will be implemented.

Assessment: What advantages does the alternative have? What disadvantages?

II. PRELIMINARY ASSURANCE ALTERNATIVES

Alternative 1: Informal Coordination Among Existing Agencies

This alternative is based on the continuation of a CALFED type management structure, formalized by inter-agency agreements and a broad agreement among stakeholders and agencies, styled after the Bay Delta Accord.

Management Structure and Implementation Functions:

This alternative follows the existing pattern of decision-making for water and ecosystem management. The existing resource management agencies carry out their individual responsibilities and authorities in a cooperative manner. This cooperation is currently formalized as the CALFED process. In this alternative, CALFED or its successor is a permanent part of the management landscape for coordination and cooperation in implementing the CALFED Bay Delta program.

Thus, specific responsibilities and authorities for implementation are distributed among the individual agencies. CALFED or its successor acts as the forum in which agency actions and programs are orchestrated to the degree possible and consensus based decisions are reached.

The CALFED consensus based decision making and cooperation process includes both long-term and short term decision making. Individual agencies attempt to make their own programs compatible with the CALFED program. For example, the water management agencies, Department of Water Resources (DWR) and US Bureau of Reclamation (USBR) cooperate with the environmental restoration agencies, Department of Fish and Game (DFG) and US Fish and Wildlife Service (USFWS) to assure that project operations are compatible with habitat restoration actions (long term planning). In the short term, project operators and restoration agencies cooperate to minimize the damage caused by diversions while still providing for water diversions (much like the CALFED Operations Group does now).

The general approach to implementation of the program is that existing agencies carry out their existing responsibilities. For example:

- DWR and USBR operate the state and federal projects, and deliver water to their contractors, subject to conditions imposed by the contracts, SWRCB requirements, ESA requirements, legislation, etc.

- USFWS and National Marine Fisheries Service (NMFS) administer the federal Endangered Species Act (ESA). This includes issuing biological opinions for listed species, developing recovery plans, and making determinations about listings for additional species.

- Public/stakeholder oversight is informal, as with the Operations Group, and formal, as with the Bay Delta Advisory Council (BDAC), a federally chartered advisory committee.

- The Environmental Protection Agency (EPA) is responsible for certifying that state water quality programs meet the requirements of the Clean Water Act.

- The State Water Resources Control Board (SWRCB) is responsible for setting and updating water quality standards, flow standards, export standards, and for implementing these standards by conditions on water rights permits.

- o SWRCB makes decisions on whether to allow water transfers and what conditions to attach to those transfers, for transfers within its jurisdiction.

- o Regional Water Quality Control Boards set water quality standards in their areas, issue waste discharge requirements and develop compliance programs.

- o DWR administers programs to maintain and improve levee stability in the Delta and tributaries.

New responsibilities and assignments are distributed among the agencies as follows:

- o DWR and USBR jointly construct the new storage and conveyance facilities, and operate them according to new SWRCB flow and export standards. The Coordinated Operating Agreement (COA) is amended or renegotiated to reflect these changes.

- o SWRCB modifies the Bay Delta Water Quality Control Plan (WQCP) to conform to agreed flow and diversion patterns. This results in new flow, diversion, and other operational controls on the projects.

- o DFG and USFWS jointly implement the ecosystem restoration program. They use the existing Interagency Ecological Program (IEP) as the research and monitoring arm for the adaptive management program. The restoration program is carried out using market mechanisms (land purchases, water purchases, etc.), not regulatory means.

- o DWR is responsible for administering the new levee programs.

- o The water quality actions in the CALFED Program are the responsibility of SWRCB, the Regional Boards and the EPA.

- o DWR and USBR provide technical support and financial assistance for locally implemented water conservation and efficiency improvement programs.

The source of funding for these activities has yet to be determined. In light of the need for various activities to proceed whether or not consensus is generated within CALFED or its successor, funds are appropriated directly to the implementing agencies and are not funneled through CALFED.

Assurance Tools:

A number of assurance tools are incorporated into Alternative 1 to increase the likelihood that the program is implemented:

- o The CALFED or CALFED successor arrangement is documented by a Memorandum of Understanding (MOU) among the participating agencies. This is similar to the June 1994 Framework Agreement which provided for the formation of the existing CALFED forum.

o There will also be a multi-party agreement modeled on the December 1994 Bay Delta Accord. In this agreement, the CALFED agencies, local agencies and other participating private stakeholder groups (e.g. environmental organizations) commit support for long term implementation of the CALFED program, based on specific agreements about ecosystem restoration, construction and operation of new facilities and funding for both.

o Assurances for the ecosystem restoration component are provided by secured funding independent of the annual state and federal appropriation process. Thus, funds for ecosystem restoration are provided primarily by state bonds and/or water user fees. Some capital funding is provided by federal appropriations. By new state legislation, funding is linked to (1) the completion of specified storage and conveyance facilities and (2) future regulatory stability other than WQCP revisions (and associated water rights changes) by the SWRCB. Thus, legislation provides that if facilities cannot be built, restoration funding is reduced or ended. If new ESA or other regulatory requirements have negative water supply impacts, then part or all of the restoration funding is ended. In other words, continued funding for ecosystem restoration, whether by bonds or water user fees, is dependent on construction and operations of new facilities.

o Language in the bond instruments used to fund the storage and conveyance facilities also includes operational rules for the new facilities, separate and independent of SWRCB standards. For example, the bond authorization might forbid the isolated system or the through-Delta system from operating at a higher capacity than specified in the CALFED program (e.g., either 5,000 cfs or 15,000 cfs).

o Assurance that environmental water purchases will benefit the environment will be provided by legislation. The legislation will allow purchasers of environmental water to require that the enhanced flows are in addition to all regulatory requirements. Similarly, USBR and DWR will enter into contracts with DFG and USFWS that will allow for export pumping rates below allowed levels, to the extent that the export water is replaced or that contractual rights are purchased in the export areas.

o Additional assurances for ecosystem protection might be provided by provisions in the facilities construction bond instruments which require the conveyance and storage facilities to comply with SWRCB WQCP standards and water rights conditions.

o Water rights assurances are provided by water transfer rules that permit counties of origin to impose conditions (such as restrictions on quantities or timing) on water transfers out of their counties, based upon certain criteria designed to protect local economies and environmental conditions without unduly restricting the water market.

o Assurances of a viable water market are provided by water transfer rules that require USBR and DWR to allow access to the isolated facility for transfers when space is available, with appropriate fees for access based upon the actual cost of the wheeling plus a reasonable share of the cost of construction and operation of the facility.

o Water rights assurances are provided by provisions in the facilities construction bond instruments and/or water transfer rules that preclude use of the isolated system to convey water purchased on the market if the transfer has been vetoed by the county from which the water is being moved.

o Assurances of urban water quality are provided by contracts between USBR/DWR and their urban water contractors, committing to the delivery of raw water of specified quality.

o Assurances for Delta riparians are provided to some extent by the physical capacity of the facilities. For example, a 5,000 cfs isolated facility alternative provides some assurance of the continuation of the "common pool" concept, since export needs cannot be met without continued export from Delta channels. (In the event of a larger isolated facility, additional assurance is needed.)

o Assurance of compliance with urban and agricultural water conservation and efficiency programs is provided by a certification process administered by the urban and agricultural conservation/efficiency councils. Failure to obtain certification makes the water agency ineligible for benefits from the CALFED Program.

o Additional assurances on water use efficiency are provided by bond language or water transfer rules which forbid the use of new facilities to convey either project or purchased water for any urban or agricultural agency which is not certified as efficient.

o Assurance that the levee programs will be implemented are provided by securing funding not dependent on the annual appropriation process. Thus, funds are provided by bonds or by fees imposed upon water users.

Assessment:

Advantages

- o Minimizes changes to current agency operations and jurisdictions; minimal increase in institutional overhead;
- o New responsibilities and requirements are established, clear avenues for enforcement of violations are created, and the interests of stakeholder groups better aligned;
- o Reduces likelihood of agency turf struggle;
- o Continues and builds upon known relationships established through existing CALFED structure and Operations Group.

Disadvantages

- o Decentralized authority may reduce effective implementation or coordinated decision making;
- o Lack of centralized management for ecosystem program;
- o Only limited assurances that ecosystem program will be implemented (there are no repercussions if budgeted money is not spent);
- o Does not address problems with stakeholders' lack of "political trust" in agencies;
- o Informal nature of agreement allows any agency to withdraw at any time.

Alternative 2: Ecosystem Restoration Joint Authority

This alternative is similar to Alternative 1, except that a unified agency, referred to here as the CALFED Joint Authority (JA) is formed to implement the Ecosystem Restoration Component of the CALFED Program. This alternative uses a slightly different set of tools, and relies particularly on a Habitat Conservation Plan (HCP).

Management Structure and Implementation Functions:

In this alternative, the JA assumes responsibility for implementing the ecosystem restoration component. Responsibility for implementation of other program components is distributed among individual CALFED agencies, consistent with their current jurisdiction and authority. CALFED or its successor acts as the forum in which individual agency actions can be coordinated and consensus decisions reached where possible.

The decision making and implementation structure for the ecosystem restoration component is as follows:

o The Ecosystem Restoration JA implements the ecosystem restoration component; it acquires and holds the necessary permits for specific elements and actions. Ecosystem restoration funds are appropriated to the JA.

o Each member agency of the JA will delegate existing program implementation authority to the JA or will commit to operating those programs in accordance with the central direction provided by the JA.

o The structure of the JA, and its mission, powers and purposes are set forth in federal and state authorizing legislation. The federal legislation incorporates portions of the Central Valley Project Improvement Act (CVPIA) into the CALFED program (i.e, the new JA assumes responsibility for implementation of the ecosystem restoration provisions of the CVPIA and administration of the CVPIA Restoration Fund.)

o The JA controls CVPIA restoration funds, Prop. 204 and Category III money and any other money allocated for Delta ecosystem restoration. It also controls the allocation and scheduling of the 800,000 acre-feet of fish and wildlife water provided by Section 3406(b)(2) of the CVPIA.

o The JA cannot act without unanimous support from its member agencies. In the absence of unanimity, the JA operates according to a set of default rules. Fundamental policy issues are resolved jointly by the Secretary of Resources and the Secretary of Interior.

o The Ecosystem Restoration JA is governed by a Board of Directors consisting of representatives from DFG, USFWS and NMFS. The Board appoints an Executive Director.

o The JA coordinates with DWR/USBR on water projects and new facilities operations, but does not have direct operational authority over facilities. Depending on how financial and operational obligations are constructed, the JA could be expanded to include DWR and USBR and other CALFED agencies.

o The JA uses the IEP as the research and monitoring arm for the adaptive management program.

o The JA may acquire land, water and other interests in property for environmental purposes through market transactions. It is not a regulatory body.

o USFWS and NMFS administer the federal Endangered Species Act (ESA). This includes issuing biological opinions for listed species, and making determinations about listings for additional species.

Outside of the ecosystem restoration component, existing agencies carry out their existing responsibilities. For example:

- SWRCB is responsible for setting and updating water quality standards, flow standards, export standards, and for implementing these standards by conditions on water rights permits.
- Regional Water Quality Control Boards continue to set water quality standards, issue waste discharge requirements, and to develop compliance programs.
- EPA is responsible for certifying that state water quality programs meet the requirements of the Clean Water Act.
- DWR and USBR operate the state and federal projects, and deliver water to their contractors, subject to conditions imposed by the contracts, SWRCB requirements, ESA requirements, legislation, etc.
- DWR administers programs to maintain and improve levee stability in the Delta and tributaries.
- SWRCB makes decisions on whether to allow water transfers and what conditions to attach to those transfers, for transfers within its jurisdiction.

Responsibilities and assignments for implementing other components of the CALFED Bay Delta Program are distributed among the various agencies:

o DWR and USBR jointly construct any new storage and conveyance facilities, and operate them according to new SWRCB flow and export standards. The COA will be amended or

renegotiated accordingly.

- o SWRCB modifies the Bay Delta WQCP to conform to agreed flow and diversion patterns. This leads to revised flow, diversion, and other operational controls on the projects and new facilities.
- o DWR is responsible for administering the new levee programs contained in the CALFED solution.
- o The water quality actions in the CALFED Program are implemented by SWRCB, the Regional Boards, and the federal EPA.
- o DWR and USBR provide technical support and financial assistance for locally implemented water conservation and efficiency improvement programs.

Assurance Tools:

A number of tools are incorporated into Alternative 2 to increase the likelihood that the solution will be implemented:

o An HCP or similar type of agreement among the JA and the resource management agencies provides some regulatory stability for water suppliers. The JA assumes limited responsibility for protection of listed species, to the extent that the agreement provides that if additional money or water is needed to deal with ESA or other regulatory changes (other than new SWRCB standards), the money or water comes out of the endowment of the ecosystem restoration program (i.e, no additional cost or net loss of additional water by water projects) up to some agreed upon percentage of the endowment. After that point, the water projects or other third parties may become liable for additional water or money.

o The HCP agreement also includes a series of requirements for the water projects. If these requirements are not met, the limited indemnity is ended. The requirements include (1) continued funding for the restoration program; (2) compliance with SWRCB standards; and (3) compliance with additional limitations such as the following:

(a) no increase of the physical capacity of either the isolated system or the through-Delta system or operating at a higher capacity than specified in the CALFED solution (i.e., 5,000 cfs or 15,000 cfs).
(b) no use of the isolated system to convey water purchased on the market if the transfer has been vetoed by the county from which the water is being moved.
(c) no use of the conveyance and storage facilities which does not comply with SWRCB WQCP standards and water rights conditions.
(d) no use of the facilities to convey either project or purchased water for any urban or agricultural agency which is not certified as efficient.

o Funding for ecosystem restoration is linked to the completion of specified storage and conveyance facilities. If facilities cannot be built, restoration funding is reduced or ended.

o Water transfer rules (or new water transfer legislation) gives counties of origin authority to deny or condition water transfers, based upon certain criteria designed to protect local interests without unduly restricting the market.

o DWR and USBR allow access to the isolated facility for market transfers when space is available, subject to fees based upon the actual cost of the wheeling plus a reasonable share of the cost of construction and operations of the facility.

o DWR and USBR allow water purchased for environmental purposes to flow through the Delta as an enhancement to existing flow requirements. They would also allow environmental agencies to reduce export pumping rates below allowed levels, by purchase of replacement water or demand reduction in the export areas.

o Water quality assurances are provided by contracts between DWR and USBR with their urban water contractors, committing to the delivery of raw water of specified quality.

o If the isolated conveyance facility is sized at 5,000 cfs, assurances for riparian users in the Delta are provided by the physical limits of the facility, to the extent that this preserves the "common pool" of the Delta.

o Assurance that the Water Use Efficiency Component will be implemented is provided by the requirement that urban and agricultural water efficiency programs are subject to certification by the urban and agricultural councils. Agencies which do not have certified plans are not eligible for benefits of the CALFED Program.

o Funds for levee programs will be insulated from the annual appropriation process. They may be provided by bonds, or by fees imposed upon water users.

Assessment:

Advantages

- o Maintains same type of working relationship as now exists among CALFED agencies, but with specific legal authority and direction for ecosystem restoration
- o Provides direct conduit for expenditure of restoration funds
- o Provides regulatory assurances for stakeholders by integrating CVPIA and ESA.

Disadvantages

- o Need for unanimous agreement by JA member agencies may impair ability to carry out restoration actions.
- o Only limited assurances that ecosystem program will be implemented as promised (there are no repercussions if budgeted money is not spent, etc.).

Alternative 3: Ecosystem Restoration JA and an Operations JA

In this alternative, two new Joint Authorities (JA's) are formed, one to implement the Ecosystem Restoration Component, the second to operate new the Central Valley Project (CVP) and State Water Project (SWP) Delta facilities and new storage and conveyance facilities constructed pursuant to the CALFED Program.

Management Structure and Implementation Functions:

Decision making and implementation in this alternative is identical to Alternative 2, **except** that a second JA is formed by DWR and USBR to operate (1) new storage facilities; (2) all CVP, SWP and new Delta conveyance facilities; (3) CVP and SWP South Delta pumping plants; (4) the export canals as far as San Luis Reservoir; and (5) San Luis Reservoir.

In a sense, this is a formalization of the kind of cooperation that already takes place between USBR and DWR over operations. However, the Operations JA improves the ability of the two project operators to cooperate and reduces the likelihood that they will work at cross purposes.

Decisions are made in both JAs by consensus of the member agencies. There is a set of default rules which control action and operations in the event agencies cannot reach agreement on specific issues.

Each project continues to service its existing contracts and each project has certain rights for service from the JA. The default rules are based upon these rights. The projects' water rights permits will be modified by SWRCB to allow the JA to operate all project storage and conveyance facilities in common. Thus, each project can use either the Tracy or Banks pumping plants and can borrow storage space in each other's reservoirs.

Assurance Tools:

These would be substantially the same as Alternative 2. Legislation is required to create both new JAs.

Assessment:

Advantages

- Generally the same as Alternative 2. The Operations JA offers potential improvements in yield for water supply and in operations better tuned to environmental needs.
- The need for agreement between the state and federal projects for deviations from the default operational rules increases the assurance that operational rules will be followed.

Disadvantages

o Possible conflicts between DWR and USBR over operations could reduce effectiveness of Operations JA.

Alternative 4: Delta Ecosystem Restoration Agency

This alternative features a new legal entity to implement the ecosystem restoration component.

Management Structure and Implementation Functions:

This alternative is similar to Alternative 2, except that the ecosystem restoration component is implemented by a new legal entity, referred to here as the Delta Ecosystem Restoration Agency (DERA). This is a new institution or agency, legally distinct from existing agencies, with its own management and governance.

DERA is created by state and federal legislation. It is governed by a Board of Directors. The Board is appointed by the Governor and Secretary of the Interior. However, nominations to the Board are made by state and federal environmental agencies, specified environmental organizations, and local governments likely to be affected by habitat restoration programs.

The primary mission of DERA is the implementation of the ecosystem restoration program. This agency has all the powers and duties attributed to the JA described in Alternative 2 above. It can acquire land, water and other property by market transaction; it is not a regulatory body. However, it may have the power of eminent domain.

All existing and future restoration funds are channeled through DERA -- not individual agencies. The 800,000 af of CVPIA b(2) water is controlled by DERA. Any HCP type of contract would involve DERA, and perhaps individual agencies as well.

Assurance Tools:

These are substantially the same as in Alternative 2.

Assessment:

Advantages

o Decision making and administration of ecosystem restoration program is centralized
o Limited indemnity for water users increases regulatory certainty.

Disadvantages

o Requires significant institutional change, particularly shift of authority and money from USFWS and DFG.

Alternative 5: Ecosystem Restoration and Operations Agency

This alternative features a new legal entity for ecosystem restoration and facilities operations.

Management Structure and Implementation Functions:

This alternative is similar to Alternative 4, **except** that new conveyance and storage facilities are also built, owned and operated by the new agency. The mission of the new agency -- the Delta Ecosystem Restoration and Management Agency (DERMA) is to implement the ecosystem restoration program **and** to construct and operate new conveyance and storage facilities. This agency has all the powers and duties attributed to the JAs described in Alternatives 2 and 3 above. This is a new institution or agency, legally distinct from existing agencies, with its own management and governance.

DERMA is created by state and federal legislation. It is governed by a Board of Directors. The Board is appointed by the Governor and Secretary of Interior. However, nominations for the Board are made by (1) state and federal environmental agencies; (2) state and federal water management agencies; (3) specified environmental non profit organizations; (4) state and federal water contractors; and (5) local governments likely to be affected by habitat restoration programs and project operations. Each of these categories is granted a certain number of seats on the Board in order to assure balance.

A default program will be created for DERMA, including operations and an ecosystem restoration program. Modifications to that program will require a super majority within the Board.

All existing and future restoration funds are placed in the hands of DERMA -- not individual agencies. The 800,000 af of b(2) from the CVPIA is also controlled by DERMA. The HCP or similar agreement is between DERMA and the regulatory agencies.

Assurances Tools:

o The new entity has responsibility for ecosystem restoration, which incorporates CVPIA programs. Pursuant to an HCP or some type of interagency agreement, it provide a "safe harbor" for CVP and SWP for Project exports (no net loss).

o It also operates new storage and conveyance facilities for ecosystem and water supply benefits. The new facilities are controlled by a revised Water Quality Control Plan, which would incorporate a complete set of operational requirements.

o The primary assurance for Alternative 5 is created by the makeup of the Board of Directors (broadly representative) and the need for a supermajority to modify the default program. That default might be made more certain through a series of contracts between DERMA and various beneficiaries of its activities (e.g., the water projects and environmental agencies).

Assessment:

o With this degree of centralization, the character of the assurance problem begins to shift. The need for assurances is generated by the tension between the desire to maximize possible benefits and the desire to protect particular interests. A fully centralized ecosystem restoration and operations agency offers very high potential benefits because coordination between the ecosystem and operational components is assured. However, the risks are also correspondingly high for particular interests.

o The benefits from centralization arise from giving this agency broad discretion in balancing needs. But such discretion will cause concern that the agency will shortchange one interest or another in its efforts to maximize overall benefits. Thus, the centralized agency requires the creation of entirely new measures to protect stakeholders from the agency itself. Contracts which bind the institution to certain actions (e.g., water deliveries, or targets for ecosystem restoration) are one way to increase confidence in the institution. Another way is to require a supermajority for any change in default operations. However, every time one of these safeguards is put in place, the advantages of this approach are reduced.

o This approach could also cause operational problems for the state and federal project, by creating a third major operator in the Delta.

Alternative 6 - Public Corporation for Ecosystem Restoration

This alternative is similar to Alternative 2 and 4, except that the ecosystem restoration component is implemented by a publicly chartered non-profit corporation, rather than a JA or a new public agency.

Management Structure and Implementation Functions:

In this alternative, the ecosystem restoration component is implemented by a new entity, formed as a publicly chartered, not for profit corporation. It is governed by an appointed Board of Directors, drawn from resource management agencies, environmental organizations and agencies of local government.

New storage and conveyance facilities constructed pursuant to the CALFED Program are operated by DWR and/or USBR.

Assurances Tools:

Generally the same as Alternatives 2 and 4.

Assessment:

Generally the same as Alternatives 2 and 4.

III. NEXT STEPS

The following review and discussion by the Work Group, CALFED staff will produce another iteration of this paper. The next draft of this document will incorporate Work Group comments, will describe some of the tools more completely, and will discuss implementation functions in greater detail. The objective is to develop a set of complete assurance alternatives for inclusion in a report or appendix to accompany the draft EIR/EIS.